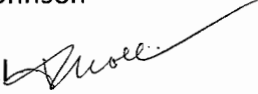


BUDGET MEMORANDUM

DATE: September 4, 2015

TO: Mr. James T. Russell, Superintendent
Mrs. Linda Costello, Chairman
Mrs. Ida D. Wright, Vice Chairman
Mrs. Linda Cuthbert
Dr. John Hill
Mrs. Melody Johnson

FROM: Dr. Robert Moll 
Chief Financial Officer
Financial Services

SUBJECT: **FY16 Recommended Budget Summary**

The recommended budget for FY16 of \$781.2 million (compared to \$776.8 million for FY15) represents an increase of \$4.4 million. The general operating appropriation of \$478.0 million (compared to \$477.7 million for FY15) is \$0.3 million more than the previous fiscal year due in large part to the Base Student Allocation (BSA) increase of \$122.68 from \$4,031.77 to \$4,154.45. It is also important to note that the increase in the BSA takes the district beyond the high point of 2007-08 level. The capital budget increased by \$6.6 million from FY15 Adopted to FY16 Adopted budget. The difference from tentative to final budget (all funds) of \$0.6 million was impacted by minimal adjustments in all fund categories due to finalization of year-end balances.

The current student membership of 62,484 (day 9) already exceeds the projection of 62,328 by 156 students. This continued increase follows a three year trend of membership growth for Volusia County Schools. The growth will again create challenges for constitutional class-size compliance as well as facility needs. Any potential for additional state funding generated by growth will be determined with the October FTE survey and adjusted in the third (December) Florida Education Finance Program (FEFP) Calculation. Staffing formulas were adjusted this school year to try to accommodate the upward trend of enrollment, but will need ongoing school by school monitoring to address the needed resources as they occur.

The District Cost Differential decreased to 0.9701 (from 0.9739) as reflected in the tentative budget, and represented a nearly \$8 million general fund loss to the district (if the calculation was 1.000) in the final FEFP budget. The loss due to the DCD formula continues to be a concern for Volusia County Schools. The assigned and unassigned actual general fund reserves are also showing a declining trend. The school board and Superintendent, however, have shown a commitment to apply austere measures to mitigate the dependence on reserves.

RM/dv